



## CITY COUNCIL MEETING STAFF REPORT

MEETING DATE: August 21, 2002

Agenda Item # 11

Prepared By:

Asst Finance Director

Submitted By:

City Manager

### TITLE: JULY 2002 FINANCE & INVESTMENT REPORT

#### RECOMMENDED ACTION:

Accept and File Report

**EXECUTIVE SUMMARY:** Attached is the monthly Finance and Investment Report for the period ended July 31, 2002. The report covers the first month of activity for the 2002/2003 fiscal year. A summary of the report is included on the first page for the City Council's benefit.

The monthly Finance and Investment Report is presented to the City Council and our Citizens as part of our ongoing commitment to improve and maintain public trust through communication of our finances, budget and investments. The report also serves to provide the information necessary to determine the adequacy/stability of financial projections and develop equitable resource/revenue allocation procedures.

This report covers all fiscal activity in the City, including the Redevelopment Agency. The Redevelopment Agency receives a separate report for the fiscal activity of the Agency at the meeting of the Agency. Presenting this report is consistent with the goal of *Maintaining and Enhancing the Financial Viability of the City*.

**FISCAL IMPACT:** As presented.



CITY OF MORGAN HILL, CALIFORNIA

FINANCIAL STATEMENT ANALYSIS - FISCAL YEAR 2002-03

FOR THE MONTH OF JULY 2002 - 8% OF YEAR COMPLETE

This analysis of the status of the City's financial situation reflects 8% of the year. However, this analysis is somewhat limited. Many of the City's current year revenues have not been received as of this time of the year, such as property taxes, transient occupancy taxes and franchise fees. In addition, certain audit adjustments will be made that affect both June and July revenues. The beginning of a fiscal year normally reflects a surge in purchasing. This is due to the start of projects included in the new budget and to the season to take advantage of good weather for construction projects.

- **General Fund** - The revenues received in the General Fund are approximately 5% of the budgeted revenues. The amount of Sales Tax collected is 7% of the sales tax revenue budget and is 3% less than at this time last year. Business license and other permit collections are 56% of the budgeted amount. This is due to the amount of business license renewals collected in June and July. Motor Vehicle-in-Lieu revenues are 9% of the budgeted amounts, up 14% compared to last year. Interest & Other Revenue are less than 1% of budget because interest earnings are not posted until the end of the first quarter.

The General Fund expenditures and encumbrances to date total 8% of the budgeted appropriations. The outstanding encumbrances in several activities are encumbrances for projects started but not completed in the last fiscal year; these projects and the related encumbrances are carried forward from the prior fiscal year.

- **Transient Occupancy (Hotel) Tax** - The TOT rate is 10%. Currently we have received \$0 revenue for the 2002/03 fiscal year. These revenues are collected quarterly. The fourth quarter of 2001/02 revenues were received in July and reported as revenue in the prior year. The first quarter revenues for 2002/03 will be received in October.
- **Community Development** - Revenues are 7% of budget, which is 40% more than the amount collected in the like period for the prior year. Planning expenditures plus encumbrances are 30% of budget, Building has expended or encumbered 16% of budget and Engineering, 11%. Community Development has expended or encumbered a combined total of 19% of the 2002/03 budget.
- **RDA and Housing** - No property tax increment revenues have been received as of July 31. Redevelopment expenditures plus encumbrances for Business Assistance, Administration and Housing are 43% of budget.
- **Water and Sewer Operations**- Water Operations revenues, including service fees, are 10% of budget. Expenditures total 7% of appropriations. Sewer Operations revenues, including service fees, are 8% of budget. Expenditures for sewer operations are 25% of budget. This higher percentage results from a principal and interest payment on debt service paid in July.
- **Investments maturing/called/sold during this period.** - During the month of July, \$3.7 million in federal agency investments were called and \$4 million was re-invested in new federal agency investments. Further details of all City investments are contained on pages 6-8 of this report.

# **CITY OF MORGAN HILL**

## **Monthly Financial and Investment Reports**

**July 31, 2002 – 8% Year Complete**



# **CITY OF MORGAN HILL**

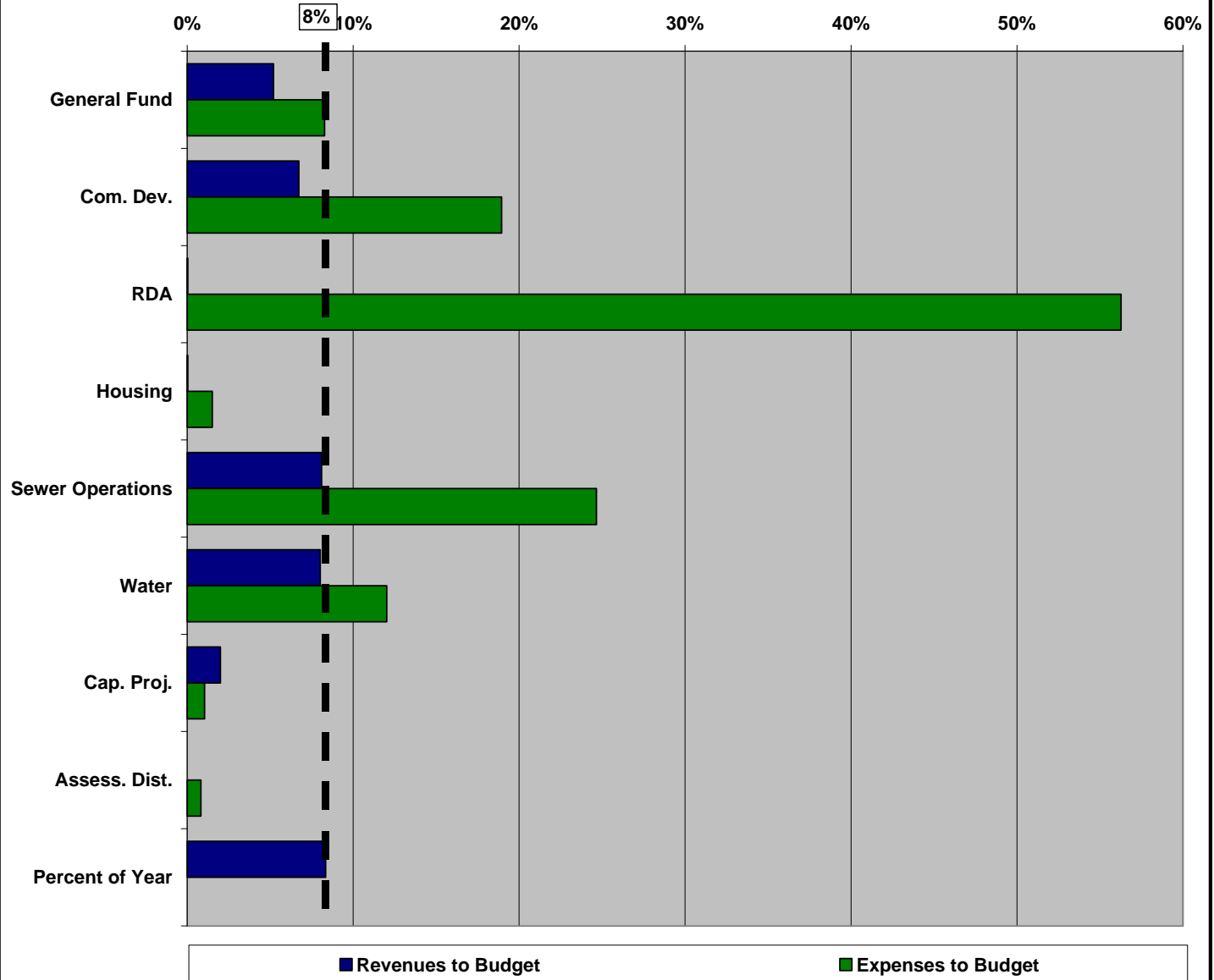
**Prepared by:**

**FINANCE DEPARTMENT**



# Morgan Hill YTD Revenue Expense Summary

July 31, 2002 – 8% Year Complete



FUND NAME	REVENUES		EXPENSES		7/31/02 UNRESTRICTED FUND BALANCE
	ACTUAL	% OF BUDGET	ACTUAL	% OF BUDGET	
General Fund	\$842,902	5%	\$1,155,792	8%	\$10,066,826
Community Development	142,364	7%	184,452	19%	1,269,700
RDA	3,415	0%	2,659,942	56%	9,246,195
Housing/CDBG	322	0%	98,096	1%	3,126,339
Sewer Operations	468,911	8%	1,631,454	25%	3,499,993
Sewer Other	42,317	3%	7,318	0%	12,624,341
Water	686,229	8%	211,659	12%	8,985,238
Other Special Revenues <sup>1</sup>	169,608	16%	15,128	1%	3,749,350
Capital Projects & Streets Funds	119,376	2%	92,667	1%	21,194,043
Assessment Districts		n/a	1,483	1%	730,039
Internal Service	274,722	7%	170,524	19%	3,994,425
Agency		n/a	4,882	0%	5,821,024
<b>TOTAL FOR ALL FUNDS</b>	<b>\$2,750,166</b>	<b>4%</b>	<b>\$6,233,397</b>	<b>22%</b>	<b>\$84,307,513</b>

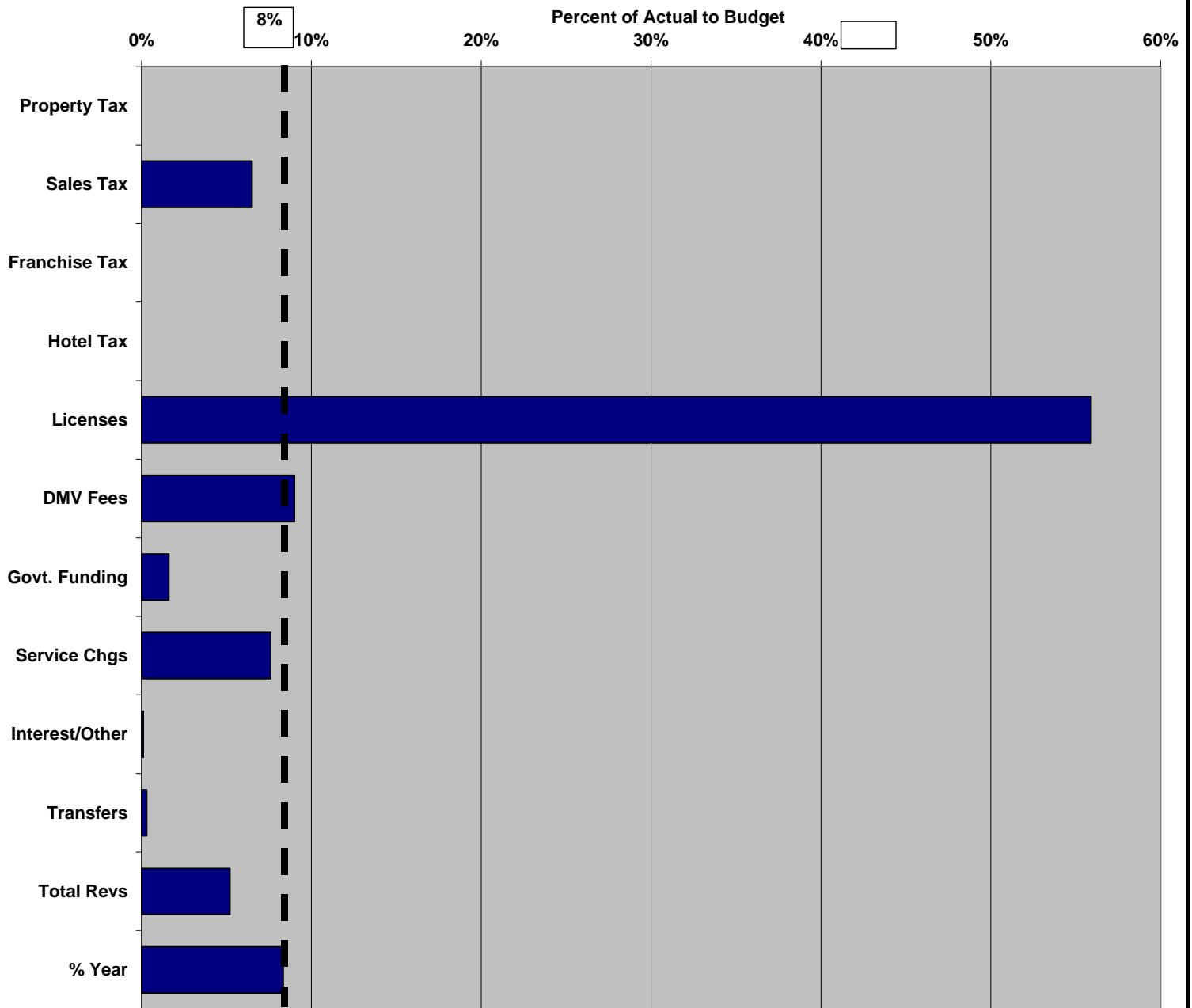
<sup>1</sup> Includes all Special Revenue Funds except Community Development, CDBG, and Street Funds





# Morgan Hill YTD General Fund Revenues

June 31, 2002 – 8% Year Complete

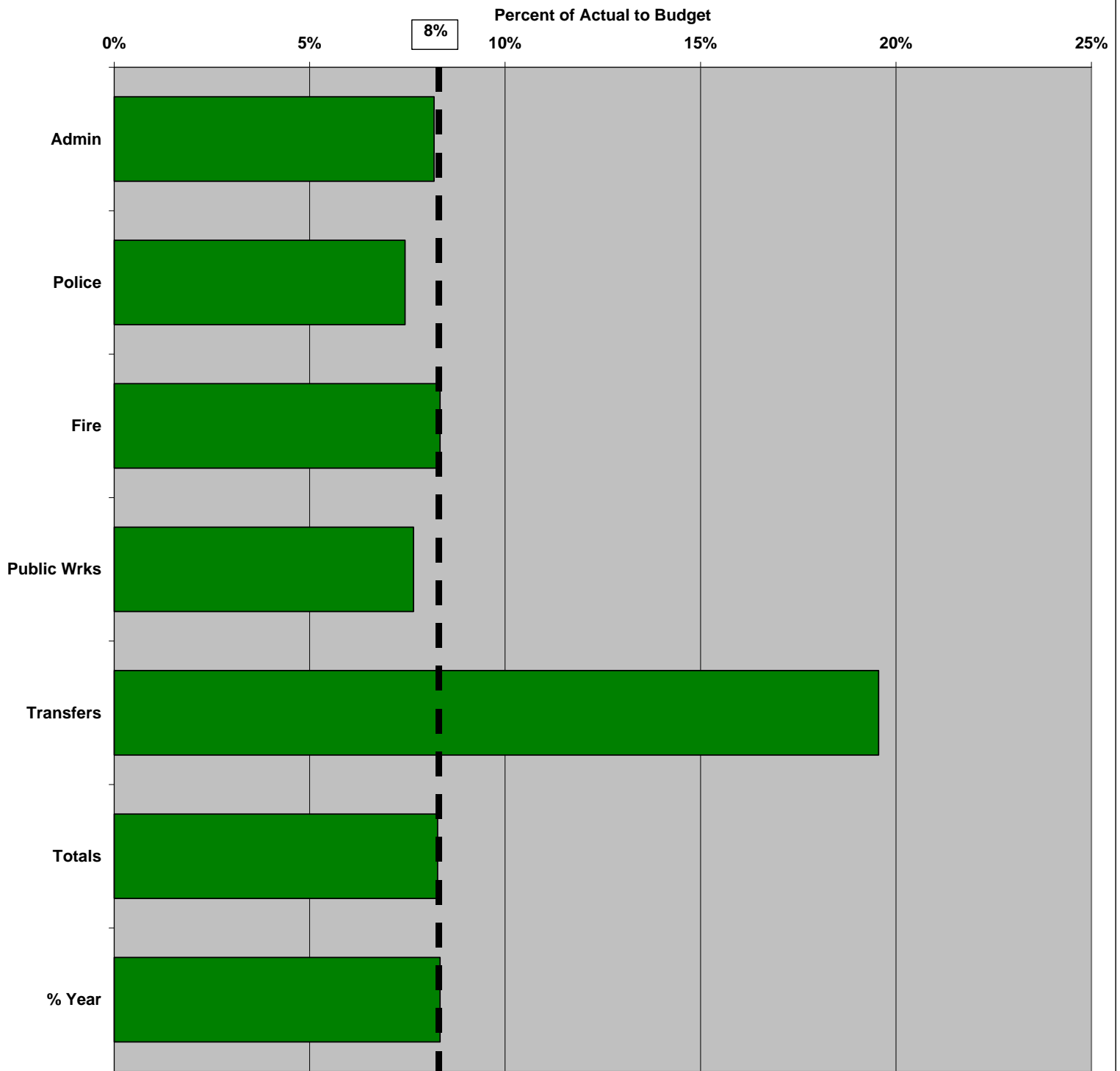


REVENUE CATEGORY	BUDGET	ACTUAL	% OF BUDGET	PRIOR YEAR TO DATE	% CHANGE FROM PRIOR YEAR
PROPERTY RELATED TAXES	\$2,228,000				
SALES TAXES	\$5,618,400	\$367,600	7%	\$377,700	-3%
FRANCHISE FEE	\$965,000				
HOTEL TAX	\$892,000				
LICENSES/PERMITS	\$209,450	\$117,136	56%	\$58,343	101%
MOTOR VEHICLE IN LIEU	\$1,965,000	\$177,256	9%	\$155,699	14%
FUNDING - OTHER GOVERNMENTS	\$228,300	\$3,598	2%		
CHARGES CURRENT SERVICES	\$2,275,326	\$173,474	8%	\$141,195	23%
INTEREST & OTHER REVENUE	\$939,600	\$922	0%	\$8,055	-89%
TRANSFERS IN	\$925,332	\$2,916	0%	\$2,667	9%
TOTALS	\$16,246,408	\$842,902	5%	\$743,659	13%



# Morgan Hill YTD General Fund Expenditures

July 31, 2002 – 8% Year Complete



Expenditure Category	Budget	Actual Plus Encumbrances	% of Budget
ADMINISTRATION	5,150,580	421,369	8%
POLICE	6,370,970	473,874	7%
FIRE	3,623,938	301,995	8%
PUBLIC WORKS	826,483	63,257	8%
TRANSFERS OUT	537,000	105,000	20%
TOTALS	\$ 16,508,971	\$ 1,365,495	8%



**City of Morgan Hill**  
**Year to Date Revenues - Fiscal Year 2002/03**  
**For the Month of July 2002**  
**8% of Year Completed**

Fund No.	Fund	Unaudited Fund Balance 06-30-02	Revenues		Expenses		Year to-Date Deficit or Carryover	Ending Fund Balance		Cash and Investments	
			YTD Actual	% of Budget	YTD Actual	% of Budget		Reserved <sup>1</sup>	Unreserved	Unrestricted	Restricted <sup>2</sup>
010	GENERAL FUND	\$10,589,419	\$842,902	5%	\$1,155,792	8%	(\$312,890)	\$209,703	\$10,066,826	\$11,082,659	\$4,050
<b>TOTAL GENERAL FUND</b>		<b>\$10,589,419</b>	<b>\$842,902</b>	<b>5%</b>	<b>\$1,155,792</b>	<b>8%</b>	<b>(\$312,890)</b>	<b>\$209,703</b>	<b>\$10,066,826</b>	<b>\$11,082,659</b>	<b>\$4,050</b>
202	STREET MAINTENANCE	\$1,595,104	\$50,000	3%	\$73,733	24%	(\$23,733)	\$386,427	\$1,184,944	\$1,532,019	\$10,794
204/205	PUBLIC SAFETY/SUPPL. LAW	\$952,384		n/a	\$45	4%	(\$45)		\$952,339	\$952,340	
206	COMMUNITY DEVELOPMENT	\$1,753,743	\$142,364	7%	\$184,452	19%	(\$42,088)	\$441,955	\$1,269,700	\$1,781,661	
207	GENERAL PLAN UPDATE	\$109,272	\$9,182	8%	\$807	0%	\$8,375		\$117,647	\$117,808	
210	COMMUNITY CENTER	\$744,461	\$100,000	84%			\$100,000		\$844,461	\$844,461	
215 / 216	CDBG	\$490,267		n/a		3%		\$441,155	\$49,112	\$205,744	
220	MUSEUM RENTAL	\$3,411		n/a	\$127	4%	(\$127)		\$3,284	\$3,312	
225	ASSET SEIZURE	\$55,997		n/a		n/a			\$55,997	\$55,997	
226	OES/FEMA			n/a							
229	LIGHTING AND LANDSCAPE	\$63,452		n/a	\$3,295	3%	(\$3,295)	\$210	\$59,947	\$60,731	
232	ENVIRONMENT PROGRAMS	\$458,724	\$20,426	5%	\$10,726	32%	\$9,700	\$89,502	\$378,922	\$470,740	
234	MOBILE HOME PK RENT STAB.	\$52,342		n/a	\$128	0%	(\$128)		\$52,214	\$72,594	
235	SENIOR HOUSING	\$224,920		n/a		0%			\$224,920	\$228,920	
236	HOUSING IN LIEU	\$1,019,619		n/a		0%			\$1,019,619	\$1,019,619	
240	EMPLOYEE ASSISTANCE		\$40,000	50%		n/a	\$40,000		\$40,000	\$40,000	
<b>TOTAL SPECIAL REVENUE FUNDS</b>		<b>\$7,523,696</b>	<b>\$361,972</b>	<b>7%</b>	<b>\$273,313</b>	<b>15%</b>	<b>\$88,659</b>	<b>\$1,359,249</b>	<b>\$6,253,106</b>	<b>\$7,385,946</b>	<b>\$10,794</b>
301	PARK DEV. IMPACT FUND	\$2,892,232	\$29,163	3%	\$11,725	2%	\$17,438	\$50,868	\$2,858,802		\$2,909,669
302	PARK MAINTENANCE	\$2,697,790	(\$1,420)	-1%		n/a	(\$1,420)		\$2,696,370	\$2,696,370	
303	LOCAL DRAINAGE	\$2,500,923		n/a	\$132	0%	(\$132)		\$2,500,791		\$2,500,791
304	LOCAL DRAINAGE/NON-AB1600	\$2,940,915		n/a	\$144	0%	(\$144)		\$2,940,771	\$2,780,741	
305	OFF-STREET PARKING	\$3,834		n/a					\$3,834	\$3,834	
306	OPEN SPACE	\$193,000		n/a					\$193,000	\$193,000	
309	TRAFFIC IMPACT FUND	\$2,830,396	\$24,570	2%	\$2,920	164%	\$21,650	\$451,703	\$2,400,343		\$2,844,510
311	POLICE IMPACT FUND	\$1,154,412	\$1,993	3%	\$512	0%	\$1,481		\$1,155,893		\$1,155,893
313	FIRE IMPACT FUND	\$2,480,571	\$9,034	5%	\$119	8%	\$8,915		\$2,489,486		\$2,489,486
317	REDEVELOPMENT AGENCY	\$21,937,192	\$3,415	0%	\$2,659,942	56%	(\$2,656,527)	10,034,471	\$9,246,195	\$17,524,390	
327 / 328	HOUSING	\$15,470,880	\$322	0%	\$98,096	3%	(\$97,774)	\$12,295,879	\$3,077,227	\$3,432,144	
340	MORGAN HILL BUS.RANCH I	\$46,050		n/a		n/a			\$46,050	\$46,050	
342	MORGAN HILL BUS.RANCH II	\$51,717		n/a					\$51,717	\$51,717	
346	PUBLIC FACILITIES NON-AB1600	\$1,020,512		n/a					\$1,020,512	\$1,020,512	
347	PUBLIC FACILITIES IMPACT FUND	\$994,101	\$3,524	2%	\$3,331	1634%	\$193	\$918,612	\$75,682		\$957,624
348	LIBRARY IMPACT FUND	\$363,206	\$2,512	7%	\$17	8%	\$2,495		\$365,701		\$365,700
350	UNDERGROUNDING	\$1,210,181		n/a	\$34	0%	(\$34)		\$1,210,147	\$1,210,148	
<b>TOTAL CAPITAL PROJECT FUNDS</b>		<b>\$58,787,912</b>	<b>\$73,113</b>	<b>0%</b>	<b>\$2,776,972</b>	<b>38%</b>	<b>(\$2,703,859)</b>	<b>\$23,751,533</b>	<b>\$32,332,521</b>	<b>\$28,958,906</b>	<b>\$13,223,673</b>
527	HIDDEN CREEK			n/a							
533	DUNNE/CONDIT			n/a							
536	ENCINO HILLS	\$64,875		n/a		n/a			\$64,875	\$64,875	
539	MORGAN HILL BUS. PARK	\$11,319		n/a		n/a			\$11,319	\$11,319	
542	SUTTER BUSINESS PARK	\$23,745		n/a		n/a			\$23,745	\$23,745	
545	COCHRANE BUSINESS PARK	\$600,170		n/a	\$755	1%	(\$755)		\$599,415	\$418,464	\$180,950
551	JOLEEN WAY	\$31,413		n/a	\$728	2%	(\$728)		\$30,685	\$13,436	\$17,250
<b>TOTAL DEBT SERVICE FUNDS</b>		<b>\$731,522</b>		<b>n/a</b>	<b>\$1,483</b>	<b>1%</b>	<b>(\$1,483)</b>		<b>\$730,039</b>	<b>\$531,839</b>	<b>\$198,200</b>



**City of Morgan Hill**  
**Year to Date Revenues - Fiscal Year 2002/03**  
**For the Month of July 2002**  
**8% of Year Completed**

Fund No.	Fund	Unaudited Fund Balance 06-30-02	Revenues		Expenses		Year to-Date Deficit or Carryover	Ending Fund Balance		Cash and Investments	
			YTD Actual	% of Budget	YTD Actual	% of Budget		Reserved <sup>1</sup>	Unreserved	Unrestricted	Restricted <sup>2</sup>
640	SEWER OPERATIONS	\$18,494,769	\$468,911	8%	\$1,631,454	\$0	(\$1,162,543)	\$13,832,233	\$3,499,993	\$3,998,555	\$2,145,551
641	SEWER IMPACT FUND	\$6,905,561	\$42,317	3%	\$323	0%	\$41,994	\$1,221,589	\$5,725,966		\$5,930,470
642	SEWER RATE STABILIZATION	\$3,422,728		n/a	\$182	8%	(\$182)		\$3,422,546	\$3,422,546	
643	SEWER-CAPITAL PROJECTS	\$8,853,180		n/a	\$6,813	0%	(\$6,813)	\$5,370,538	\$3,475,829	\$3,475,828	
650	WATER OPERATIONS	\$25,369,476	\$676,186	10%	\$193,238		\$482,948	\$20,612,337	\$5,240,087	\$4,820,686	\$390,888
651	WATER IMPACT FUND	\$2,057,209	\$10,043	1%	\$5,879	27%	\$4,164	\$1,512,929	\$548,443		\$810,140
652	WATER RATE STABILIZATION	\$827,684		n/a	\$42	8%	(\$42)		\$827,642	\$827,642	
653	WATER -CAPITAL PROJECT	\$5,841,402		n/a	\$12,500	42%	(\$12,500)	\$3,459,836	\$2,369,066	\$2,692,431	
<b>TOTAL ENTERPRISE FUNDS</b>		<b>\$71,772,009</b>	<b>\$1,197,457</b>	<b>7%</b>	<b>\$1,850,431</b>	<b>13%</b>	<b>(\$652,974)</b>	<b>\$46,009,462</b>	<b>\$25,109,572</b>	<b>\$19,237,688</b>	<b>\$9,277,049</b>
730	DATA PROCESSING	\$570,905	\$31,766	8%	\$51,171	48%	(\$19,405)	\$336,048	\$215,452	\$447,038	
740	BUILDING MAINTENANCE	\$307,448	\$69,792	8%	\$18,868	13%	\$50,924	\$60,838	\$297,534	\$371,032	
745	CIP ADMINISTRATION	\$75,553	\$64,418	5%	\$64,418	10%		\$77,235	(\$1,682)	\$118,605	
760	UNEMPLOYMENT INS.	\$76,759		n/a		n/a			\$76,759	\$76,759	
770	WORKER'S COMP.	\$81,379	\$35,303	9%	\$35,931	19%	(\$628)	\$56,825	\$23,926	\$715,289	\$30,000
790	EQUIPMENT REPLACEMENT	\$3,294,168	\$41,462	8%	\$136	0%	\$41,326	\$943,257	\$2,392,237	\$2,387,515	
793	CORPORATION YARD	\$419,685		n/a		48%		\$348,565	\$71,120	\$75,804	
795	GEN'L LIABILITY INS.	\$887,098	\$31,981	8%		n/a	\$31,981		\$919,079	\$1,240,167	
<b>TOTAL INTERNAL SERVICE FUNDS</b>		<b>\$5,712,995</b>	<b>\$274,722</b>	<b>7%</b>	<b>\$170,524</b>	<b>19%</b>	<b>\$104,198</b>		<b>\$3,994,425</b>	<b>\$5,432,209</b>	<b>\$30,000</b>
820	SPECIAL DEPOSITS									\$710,757	
841	M.H. BUS.RANCH A.D.	\$1,603,331		n/a	\$885	0%	(\$885)		\$1,602,446	\$1,024,120	\$578,325
842	M.H. BUS. RANCH II A.D.	\$267,094		n/a	\$1,095	1%	(\$1,095)		\$265,999	\$206,487	\$59,513
843	M.H. BUS. RANCH 1998	\$1,679,408		n/a	\$858	0%	(\$858)		\$1,678,550	\$784,450	\$894,101
845	MADRONE BP-TAX EXEMPT	\$1,691,229			\$1,122	0%	(\$1,122)		\$1,690,107	\$610,840	\$1,080,075
846	MADRONE BP-TAXABLE	\$248,313		n/a	\$669	0%	(\$669)		\$247,643	\$83,584	\$161,551
848	TENNANT AVE.BUS.PK A.D.	\$316,569		n/a	\$253	n/a	(\$253)		\$316,316	\$316,316	
881	POLICE DONATION TRUST FUND	\$19,963		n/a		n/a			\$19,963		\$19,963
<b>TOTAL AGENCY FUNDS</b>		<b>\$5,825,907</b>		<b>n/a</b>	<b>\$4,882</b>	<b>0%</b>	<b>(\$4,882)</b>		<b>\$5,821,024</b>	<b>\$3,736,554</b>	<b>\$2,793,528</b>
<b>SUMMARY BY FUND TYPE</b>											
GENERAL FUND GROUP		\$10,589,419	\$842,902	5%	\$1,155,792	8%	(\$312,890)	\$209,703	\$10,066,826	\$11,082,659	\$4,050
SPECIAL REVENUE GROUP		\$7,523,696	\$361,972	7%	\$273,313	15%	\$88,659	\$1,359,249	\$6,253,106	\$7,385,946	\$10,794
DEBT SERVICE GROUP		\$731,522		n/a	\$1,483	1%	(\$1,483)		\$730,039	\$531,839	\$198,200
CAPITAL PROJECTS GROUP		\$58,787,912	\$73,113	0%	\$2,776,972	38%	(\$2,703,859)	\$23,751,533	\$32,332,521	\$28,958,906	\$13,223,673
ENTERPRISE GROUP		\$71,772,009	\$1,197,457	7%	\$1,850,431	13%	(\$652,974)	\$46,009,462	\$25,109,572	\$19,237,688	\$9,277,049
INTERNAL SERVICE GROUP		\$5,712,995	\$274,722	7%	\$170,524	19%	\$104,198		\$3,994,425	\$5,432,209	\$30,000
AGENCY GROUP		\$5,825,907		n/a	\$4,882	0%	(\$4,882)		\$5,821,024	\$3,736,554	\$2,793,528
<b>TOTAL ALL GROUPS</b>		<b>\$160,943,460</b>	<b>\$2,750,166</b>	<b>4%</b>	<b>\$6,233,397</b>	<b>22%</b>	<b>(\$3,483,231)</b>	<b>\$71,329,947</b>	<b>\$84,307,513</b>	<b>\$76,365,801</b>	<b>\$25,537,294</b>
<b>TOTAL CASH AND INVESTMENTS</b>										<b>\$101,903,095</b>	

For Enterprise Funds - Unrestricted fund balance = Fund balance net of fixed assets and long-term liabilities.

<sup>1</sup> Amount restricted for encumbrances, fixed asset replacement, long-term receivables, and bond reserves.

<sup>2</sup> Amount restricted for debt service payments and AB1600 capital expansion projects as detailed in the City's five year CIP Plan and bond agreements.



**CITY OF MORGAN HILL CASH AND INVESTMENT REPORT  
FOR THE MONTH OF JULY 2002  
FOR THE FISCAL YEAR OF 2002-03**

<b>Investments</b>	<b>Invested In Fund</b>	<b>Yield</b>	<b>Book Value End of Month</b>	<b>Investment Category Subtotal at Cost</b>	<b>% of Total</b>	<b>Market Value</b>
State Treasurer LAIF - City	All Funds Pooled	2.69%	\$33,231,215		32.61%	\$33,323,603
- RDA	RDA	2.69%	\$22,674,542		22.25%	\$22,737,580
- Corp Yard	Corp Yard	2.69%	\$50,493		0.05%	\$50,633
Federal Issues	All Funds Pooled	4.83%	\$39,500,000		38.77%	\$39,775,410
Money Market	All Funds Pooled	1.31%	\$1,275,841	\$96,732,091	1.25%	\$1,275,841
<b><u>Bond Reserve Accounts - held by trustees</u></b>						
BNY - 1992 SCRWA Bonds						
Fidelity US Trsy (Cash Mgmt Acct)	Sewer	1.51%	\$509		0.00%	\$375
U.S. Treasury Bonds (matures 11/15/21)	Sewer	8.00%	\$2,080,042		2.04%	\$2,299,188
US Bank - 1999 Water C.O.P.						
First American Treasury Obligation	Water	1.50%	\$390,888		0.38%	\$390,888
US Bank - MH Ranch 98	MH Ranch					
First American Treasury Obligation	Agency Fund	1.50%	\$894,101		0.88%	\$894,101
US Bank - Madrone Bus Park Tax Exempt	Madrone Bus Park					
First American Treasury Obligation	Agency Fund	1.50%	\$1,080,075		1.06%	\$1,080,075
US Bank - Madrone Bus Park Taxable	Madrone Bus Park					
First American Treasury Obligation	Agency Fund	1.50%	\$161,551	\$4,607,166	0.16%	\$161,551
<b><u>Checking Accounts</u></b>						
General Checking	All Funds		\$529,788		0.52%	\$529,788
Dreyfuss Treas Cash Management Account	All Funds	0.76%	\$0		0.00%	\$0
Abag Workers' Comp	Workers' Comp		\$10,000		0.01%	\$10,000
Athens Administrators Workers' Comp	Workers' Comp		\$20,000		0.02%	\$20,000
Petty Cash & Emergency Cash	Various Funds		\$4,050	\$563,838	0.00%	\$4,050
<b>Total Cash and Investments</b>			<b>\$101,903,095</b>	<b>\$101,903,095</b>	<b>100.00%</b>	<b>\$102,553,083</b>

**CASH ACTIVITY SUMMARY  
FY 02/03**

<b>Fund Type</b>	<b>07/01/02 Balance</b>	<b>Change in Cash Balance</b>	<b>07/31/02 Balance</b>	<b>Restricted</b>	<b>Unrestricted</b>
General Fund	\$11,500,332	(\$413,623)	\$11,086,709	\$4,050	\$11,082,659
Community Development	\$1,890,340	(\$108,679)	\$1,781,661	\$0	\$1,781,661
RDA (except Housing)	\$21,935,431	(\$4,411,041)	\$17,524,390	\$0	\$17,524,390
Housing / CDBG	\$4,249,075	(\$611,187)	\$3,637,888	\$0	\$3,637,888
Water	\$9,397,742	\$144,045	\$9,541,787	\$1,201,028	\$8,340,759
Sewer - Operations	\$7,109,332	(\$965,226)	\$6,144,106	\$2,145,551	\$3,998,555
Sewer Other	\$13,059,997	(\$231,153)	\$12,828,844	\$5,930,470	\$6,898,374
Other Special Revenue	\$3,672,401	\$194,121	\$3,866,522	\$0	\$3,866,522
Streets and Capital Projects (except RDA)	\$22,830,223	(\$61,365)	\$22,768,858	\$13,234,467	\$9,534,391
Assessment Districts	\$731,522	(\$1,483)	\$730,039	\$198,200	\$531,839
Internal Service	\$5,545,320	(\$83,111)	\$5,462,209	\$30,000	\$5,432,209
Agency Funds	\$6,388,959	\$141,123	\$6,530,082	\$2,793,528	\$3,736,554
<b>Total</b>	<b>\$108,310,674</b>	<b>(\$6,407,580)</b>	<b>\$101,903,095</b>	<b>\$25,537,294</b>	<b>\$76,365,801</b>

Note: See Investment Portfolio Detail for maturities of "Investments." Market values are obtained from the City's investment brokers' monthly reports.  
\*Market Value as of 05/31/02

I certify the information on the investment reports on pages 6-8 has been reconciled to the general ledger and bank statements and that there are sufficient funds to meet the expenditure requirements of the City for the next six months. The portfolio is in compliance with the City of Morgan Hill investment policy and all State laws and regulations.

Prepared by:

*Louder Roma*  
Louder Roma  
Accountant I

Approved by

*Jack Dilles*  
Jack Dilles  
Director of Finance

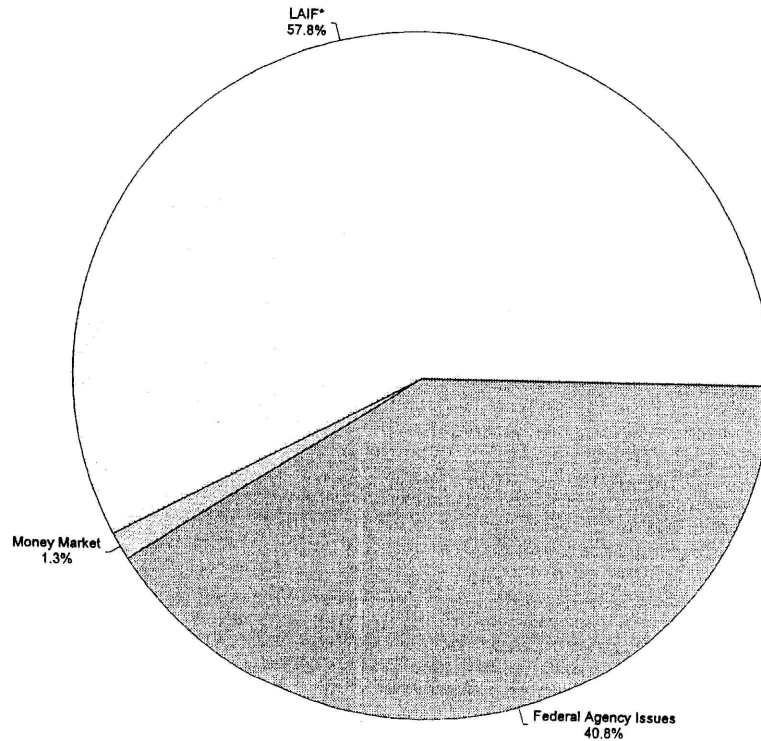
*Mike Roorda*  
Mike Roorda  
City Treasurer

Verified by:

*Tina Reza*  
Tina Reza  
Assistant Director of Finance

# CITY OF MORGAN HILL

## INVESTMENT PORTFOLIO DETAIL as of 07/31/02

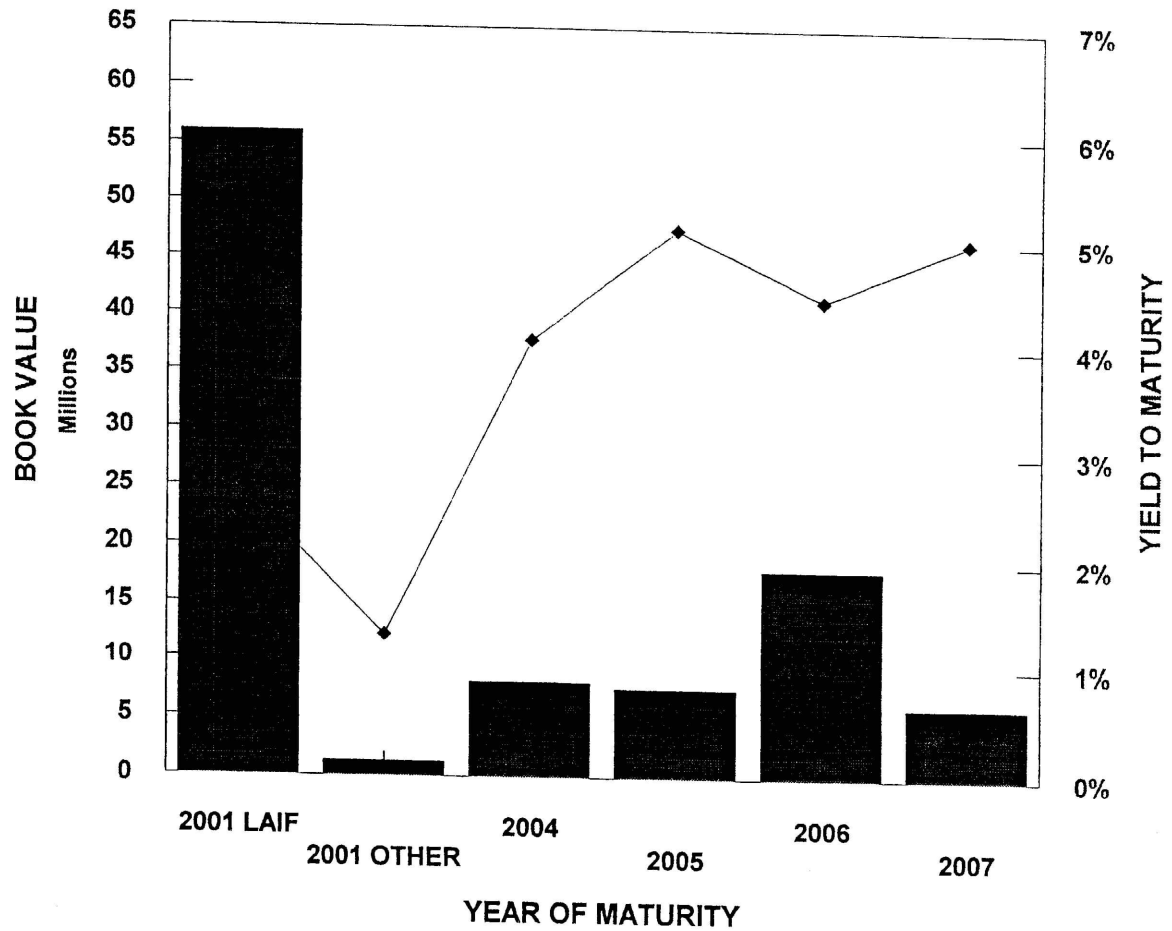


Investment Type	Purchase Date	Book Value	% of Portfolio	Market Value	Stated Rate	Interest Earned	Next Call Date	Date of Maturity	Years to Maturity
<b>LAIF*</b>									
		\$55,956,249	57.85%	\$56,111,816	2.687%	\$131,173			0.003
<b>Federal Agency Issues</b>									
218 Fed Natl Mortgage Assn	03/20/02	\$2,000,000	2.07%	\$2,009,380	3.900%	\$6,500	09/20/02	09/20/04	2.140
222 Fed Home Loan Mgt Corp	03/28/02	\$2,000,000	2.07%	\$2,017,860	4.210%	\$7,017	03/28/03	09/28/04	2.162
226 Fed Natl Mortgage Assn	05/02/02	\$2,000,000	2.07%	\$2,017,500	4.125%	\$6,950	05/02/03	11/02/04	2.258
219 Fed Home Loan Bank	03/20/02	\$2,000,000	2.07%	\$2,008,760	4.030%	\$6,717	09/20/02	12/20/04	2.389
197 Fed Home Loan Bank	04/11/01	\$2,000,000	2.07%	\$2,048,120	5.300%	\$8,978	04/11/03	04/11/05	2.696
206 Fed Natl Mortgage Assn	08/01/01	\$1,500,000	1.55%	\$1,538,910	5.200%	\$6,680	08/01/05	08/01/05	3.003
207 Fed Natl Mortgage Assn	08/08/01	\$2,000,000	2.07%	\$2,011,880	5.280%	\$9,043	08/08/05	08/08/05	3.022
227 Fed Home Loan Bank	05/15/02	\$2,000,000	2.07%	\$2,017,500	4.750%	\$8,003	11/15/02	11/15/05	3.293
188 Fed Home Loan Bank	02/06/01	\$2,000,000	2.07%	\$2,048,120	5.840%	\$10,002	02/06/03	02/06/06	3.521
212 Fed Home Loan Bank	09/10/01	\$2,000,000	2.07%	\$2,017,500	5.250%	\$8,845	09/10/02	03/10/06	3.608
213 Fed Farm Credit Banks	09/28/01	\$2,000,000	2.07%	\$2,020,620	5.500%	\$9,167	09/28/02	09/28/06	4.162
211 Fed Home Loan Mgt Corp	09/10/01	\$2,000,000	2.07%	\$2,031,880	5.249%	\$8,843	03/06/03	09/06/06	4.101
214 Fed Natl Mortgage Assn	10/17/01	\$2,000,000	2.07%	\$2,000,620	4.700%	\$7,962	10/17/02	10/17/06	4.214
215 Fed Home Loan Bank	10/26/01	\$2,000,000	2.07%	\$2,000,000	4.940%	\$8,368	None	10/26/06	4.238
216 Fed Home Loan Bank	11/20/01	\$4,000,000	4.14%	\$3,981,240	4.500%	\$15,163	11/20/02	11/20/06	4.307
217 Fed Home Loan Bank	03/14/02	\$2,000,000	2.07%	\$2,001,260	5.050%	\$8,417	NA	12/14/06	4.373
221 Fed Home Loan Mgt Corp	03/26/02	\$2,000,000	2.07%	\$2,024,260	5.300%	\$8,833	03/26/03	03/26/07	4.652
228 Fed Home Loan Bank	07/09/02	\$4,000,000	4.14%	\$4,000,000	4.875%	\$12,188	07/09/03	07/09/07	4.940
Redeemed FY 02/03						\$4,842			
Sub Total/Average		\$39,500,000	40.83%	\$39,775,410	4.833%	\$162,518			3.625
<b>Money Market</b>									
		\$1,275,841	1.32%	\$1,275,841	1.310%				0.003
<b>TOTAL/AVERAGE</b>									
		\$96,732,091	100.00%	\$97,163,067	3.444%	\$293,691			1.477

\*Per State Treasurer Report dated 06/30/2002, LAIF had invested approximately 17% of its balance in Treasury Bills and Notes, 15% in CDs, 31% in Commercial Paper and Corporate Bonds, 0% in Banker's Acceptances and 37% in others.

# CITY OF MORGAN HILL

INVESTMENT MATURITIES AS OF JULY 31, 2002



YEAR OF MATURITY	BOOK VALUE	MARKET VALUE	AVERAGE RATE	% OF TOTAL
2001 LAIF	\$55,956,249	\$56,111,816	2.687%	57.85%
2001 OTHER	\$1,275,841	\$1,275,841	1.310%	1.32%
2004	\$8,000,000	\$8,053,500	4.066%	8.27%
2005	\$7,500,000	\$7,616,410	5.128%	7.75%
2006	\$18,000,000	\$18,081,240	4.448%	18.61%
2007	\$6,000,000	\$6,024,260	5.017%	6.20%
TOTAL	\$96,732,091	\$97,163,067	3.444%	100.00%





City of Morgan Hill  
Year to Date Revenues - Fiscal Year 2002/03  
For the Month of July 2002  
8% of Year Completed

FUND REVENUE SOURCE	ADOPTED BUDGET	AMENDED BUDGET	CURRENT YTD ACTUAL	% OF BUDGET	PRIOR YTD	INCR (DECR) FROM PRIOR YTD	% OF BUDGET
<b>010 GENERAL FUND</b>							
<b><u>TAXES</u></b>							
Property Taxes - Secured/Unsecured/Prior	1,883,000		-	n/a	-	-	n/a
Supplemental Roll	125,000		-	n/a	-	-	n/a
Sales Tax	5,330,000		367,600	7%	377,700	(10,100)	-3%
Public Safety Sales Tax	288,400		-	n/a	-	-	n/a
Transient Occupancy Taxes	892,000		-	n/a	-	-	n/a
Franchise (Refuse ,Cable ,PG&E)	965,000		-	n/a	-	-	n/a
Property Transfer Tax	220,000		-	n/a	-	-	n/a
<b>TOTAL TAXES</b>	<b>9,703,400</b>		<b>367,600</b>	<b>4%</b>	<b>377,700</b>	<b>(10,100)</b>	<b>-3%</b>
<b><u>LICENSES/PERMITS</u></b>							
Business License	164,000		116,970	71%	58,264	58,706	101%
Other Permits	45,450		166	0%	79	87	110%
<b>TOTAL LICENSES/PERMITS</b>	<b>209,450</b>		<b>117,136</b>	<b>56%</b>	<b>58,343</b>	<b>58,793</b>	<b>101%</b>
<b><u>FINES AND PENALTIES</u></b>							
Parking Enforcement	15,000		578	4%	-	578	n/a
City Code Enforcement	82,000		-	n/a	5,506	(5,506)	-100%
Business tax late fee/other fines	-		-	n/a	-	-	n/a
<b>TOTAL FINES AND PENALTIES</b>	<b>97,000</b>		<b>578</b>	<b>1%</b>	<b>5,506</b>	<b>(4,928)</b>	<b>-90%</b>
<b><u>OTHER AGENCIES</u></b>							
Motor Vehicle in-Lieu	1,965,000		177,256	9%	155,699	21,557	14%
Other Revenue - Other Agencies	228,300		3,598	2%	-	3,598	n/a
<b>TOTAL OTHER AGENCIES</b>	<b>2,193,300</b>		<b>180,854</b>	<b>8%</b>	<b>155,699</b>	<b>25,155</b>	<b>16%</b>
<b><u>CHARGES CURRENT SERVICES</u></b>							
False Alarm Charge	24,000		80	0%	-	80	n/a
Business License Application Review	18,000		2,422	13%	1,800	622	35%
Recreation Classes	231,741		9,626	4%	3,616	6,010	166%
General Administration Overhead	1,855,937		154,661	8%			
Other Charges Current Services	145,648		6,685	5%	135,779	(129,094)	-95%
<b>TOTAL CURRENT SERVICES</b>	<b>2,275,326</b>		<b>173,474</b>	<b>8%</b>	<b>141,195</b>	<b>(122,382)</b>	<b>-87%</b>
<b><u>OTHER REVENUE</u></b>							
Use of money/property	724,400		62	0%	2,080	(2,018)	-97%
Other revenues	118,200		282	0%	469	(187)	-40%
<b>TOTAL OTHER REVENUE</b>	<b>842,600</b>		<b>344</b>	<b>0%</b>	<b>2,549</b>	<b>(2,205)</b>	<b>-87%</b>
<b><u>TRANSFERS IN</u></b>							
Park Maintenance	100,000		-	n/a	-	-	n/a
Sewer Enterprise	17,500		1,458	8%	1,250	208	17%
Water Enterprise	17,500		1,458	8%	1,250	208	17%
Public Safety	270,000		-	n/a	-	-	n/a
Other Funds	520,332		-	n/a	167	(167)	-100%
<b>TOTAL TRANSFERS IN</b>	<b>925,332</b>		<b>2,916</b>	<b>0%</b>	<b>2,667</b>	<b>249</b>	<b>9%</b>
<b>TOTAL GENERAL FUND</b>	<b>16,246,408</b>		<b>842,902</b>	<b>5%</b>	<b>743,659</b>	<b>99,243</b>	<b>13%</b>





City of Morgan Hill  
Year to Date Revenues - Fiscal Year 2002/03  
For the Month of July 2002  
8% of Year Completed

FUND REVENUE SOURCE	ADOPTED BUDGET	AMENDED BUDGET	CURRENT YTD ACTUAL	% OF BUDGET	PRIOR YTD	INCR (DECR) FROM PRIOR YTD	% OF BUDGET
<b>SPECIAL REVENUE FUNDS</b>							
<b><u>202 STREET MAINTENANCE</u></b>							
Gas Tax 2105 - 2107.5	658,000		-	n/a	64,816	(64,816)	-100%
Measure A & B	-		-	n/a	-	-	n/a
Tea 21	-		-	n/a	-	-	n/a
Transfers In	977,000		50,000	5%	42,500	7,500	18%
Project Reimbursement	-		-	n/a	-	-	n/a
Interest / Other Revenue/Other Charges	172,500		-	n/a	-	-	n/a
<b>202 STREET MAINTENANCE</b>	<b>1,807,500</b>		<b>50,000</b>	<b>3%</b>	<b>107,316</b>	<b>(57,316)</b>	<b>-53%</b>
<b><u>204/205 PUBLIC SAFETY TRUST</u></b>							
Interest Income	30,400		-	n/a	-	-	n/a
Police Grant/SLEF	100,000		-	n/a	-	-	n/a
PD Block Grant	-		-	n/a	-	-	n/a
CA Law Enforcement Equip. Grant	-		-	n/a	-	-	n/a
Federal Police Grant (COPS)	30,000		-	n/a	-	-	n/a
Transfers In	-		-	n/a	-	-	n/a
<b>204/205 PUBLIC SAFETY TRUST</b>	<b>160,400</b>		<b>-</b>	<b>n/a</b>	<b>-</b>	<b>-</b>	<b>n/a</b>
<b><u>206 COMMUNITY DEVELOPMENT</u></b>							
Building Fees	1,134,000		107,232	9%	71,395	35,837	50%
Planning Fees	438,147		20,574	5%	25,269	(4,695)	-19%
Engineering Fees	480,000		14,494	3%	1,139	13,355	1173%
Other Revenue/Current Charges	66,276		64	0%	75	(11)	-15%
Transfers	-		-	n/a	3,905	(3,905)	-100%
<b>206 COMMUNITY DEVELOPMENT</b>	<b>2,118,423</b>		<b>142,364</b>	<b>7%</b>	<b>101,783</b>	<b>40,581</b>	<b>40%</b>
<b>207 GENERAL PLAN UPDATE</b>	<b>113,582</b>		<b>9,182</b>	<b>8%</b>	<b>2,034</b>	<b>7,148</b>	<b>351%</b>
<b><u>215 and 216 HCD BLOCK GRANT</u></b>							
HCD allocation	181,306		-	n/a	-	-	n/a
Interest Income/Other Revenue	50,000		-	n/a	-	-	n/a
Transfers	-		-	n/a	-	-	n/a
<b>215 and 216 HCD BLOCK GRANT</b>	<b>231,306</b>		<b>-</b>	<b>n/a</b>	<b>-</b>	<b>-</b>	<b>n/a</b>
<b>210 COMMUNITY CENTER</b>	<b>119,041</b>		<b>100,000</b>	<b>84%</b>	<b>200,000</b>	<b>(100,000)</b>	<b>-50%</b>
<b>220 MUSEUM RENTAL</b>	<b>212</b>		<b>-</b>	<b>n/a</b>	<b>-</b>	<b>-</b>	<b>n/a</b>
<b>225 ASSET SEIZURE</b>	<b>2,057</b>		<b>-</b>	<b>n/a</b>	<b>-</b>	<b>-</b>	<b>n/a</b>
<b>226 OES/FEMA</b>	<b>-</b>		<b>-</b>	<b>n/a</b>	<b>-</b>	<b>-</b>	<b>n/a</b>
<b>229 LIGHTING AND LANDSCAPE</b>	<b>107,429</b>		<b>-</b>	<b>n/a</b>	<b>-</b>	<b>-</b>	<b>n/a</b>
<b>232 ENVIRONMENTAL PROGRAMS</b>	<b>380,755</b>		<b>20,426</b>	<b>5%</b>	<b>-</b>	<b>20,426</b>	<b>n/a</b>
<b>234 MOBILE HOME PARK RENT STAB.</b>	<b>2,507</b>		<b>-</b>	<b>n/a</b>	<b>5,000</b>	<b>(5,000)</b>	<b>-100%</b>
<b>235 SENIOR HOUSING</b>	<b>85,541</b>		<b>-</b>	<b>n/a</b>	<b>-</b>	<b>-</b>	<b>n/a</b>
<b>236 HOUSING MITIGATION</b>	<b>37,500</b>		<b>-</b>	<b>n/a</b>	<b>-</b>	<b>-</b>	<b>n/a</b>
<b>240 EMPLOYEE ASSISTANCE</b>	<b>80,786</b>		<b>40,000</b>	<b>50%</b>	<b>-</b>	<b>40,000</b>	<b>n/a</b>
<b>TOTAL SPECIAL REVENUE FUNDS</b>	<b>5,247,039</b>		<b>361,972</b>	<b>7%</b>	<b>416,133</b>	<b>(54,161)</b>	<b>-13%</b>



City of Morgan Hill  
Year to Date Revenues - Fiscal Year 2002/03  
For the Month of July 2002  
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FUND REVENUE SOURCE	ADOPTED BUDGET	AMENDED BUDGET	CURRENT YTD ACTUAL	% OF BUDGET	PRIOR YTD	INCR (DECR) FROM PRIOR YTD	% OF BUDGET
<b>CAPITAL PROJECTS FUNDS</b>							
301 PARK DEVELOPMENT	1,129,006		29,163	3%	4,426	24,737	559%
302 PARK MAINTENANCE	155,300		(1,420)	-1%	40,000	(41,420)	-104%
303 LOCAL DRAINAGE	315,223		-	n/a	-	-	n/a
304 LOCAL DRAINAGE/NON AB1600	139,949		-	n/a	-	-	n/a
305 OFF-STREET PARKING	152		-	n/a	-	-	n/a
306 OPEN SPACE			-	n/a	-	-	n/a
309 TRAFFIC MITIGATION	1,080,268		24,570	2%	79,844	(55,274)	-69%
311 POLICE MITIGATION	64,919		1,993	3%	220	1,773	806%
313 FIRE MITIGATION	166,935		9,034	5%	1,314	7,720	588%
	-		-		-	-	
<b>317 RDA CAPITAL PROJECTS</b>							
Property Taxes & Supplemental Roll	12,084,000		-	n/a	-	-	n/a
Development Agreements	-		-	n/a	-	-	n/a
Interest Income, Rents	595,853		-	n/a	-	-	n/a
Other Agencies/Current Charges	152,500		3,415	2%	2,633	782	30%
<b>317 RDA CAPITAL PROJECTS</b>	<b>12,832,353</b>		<b>3,415</b>	<b>0%</b>	<b>2,633</b>	<b>782</b>	<b>30%</b>
<b>327/328 RDA L/M HOUSING</b>							
Property Taxes & Supplemental Roll	3,438,000		-	n/a	-	-	n/a
Interest Income, Rent	100,000		312	0%	-	312	n/a
Other	590		10	2%	10	-	n/a
<b>327/328 RDA L/M HOUSING</b>	<b>3,538,590</b>		<b>322</b>	<b>0%</b>	<b>10</b>	<b>312</b>	<b>3120%</b>
346 PUBLIC FACILITIES NON-AB1600	254,300		-	n/a	-	-	n/a
347 PUBLIC FACILITIES	148,617		3,524	2%	538	2,986	555%
348 LIBRARY	36,299		2,512	7%	394	2,118	538%
350 UNDERGROUNDING	692,745		-	n/a	-	-	n/a
340 MORGAN HILL BUS.RANCH CIP I	1,825		-	n/a	-	-	n/a
342 MORGAN HILL BUS.RANCH CIP II	2,052		-	n/a	-	-	n/a
<b>TOTAL CAPITAL PROJECTS FUNDS</b>	<b>20,558,533</b>		<b>73,113</b>	<b>0%</b>	<b>129,379</b>	<b>(56,266)</b>	<b>-43%</b>
<b>DEBT SERVICE FUNDS</b>							
527 HIDDEN CREEK	-		-	n/a	-	-	n/a
533 DUNNE AVE. / CONDIT ROAD	-		-	n/a	-	-	n/a
536 ENCINO HILLS	4,209		-	n/a	-	-	n/a
539 MORGAN HILL BUSINESS PARK	7,707		-	n/a	-	-	n/a
542 SUTTER BUSINESS PARK	6,215		-	n/a	-	-	n/a
545 COCHRANE BUSINESS PARK	158,673		-	n/a	-	-	n/a
551 JOLEEN WAY	43,068		-	n/a	-	-	n/a
<b>TOTAL DEBT SERVICE FUNDS</b>	<b>219,872</b>		<b>-</b>	<b>n/a</b>	<b>-</b>	<b>-</b>	<b>n/a</b>



City of Morgan Hill  
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FUND REVENUE SOURCE	ADOPTED BUDGET	AMENDED BUDGET	CURRENT YTD ACTUAL	% OF BUDGET	PRIOR YTD	INCR (DECR) FROM PRIOR YTD	% OF BUDGET
<b>ENTERPRISE FUNDS</b>							
<b>640 SEWER OPERATION</b>							
Sewer Service Fees	5,389,650		461,078	9%	475,606	(14,528)	-3%
Interest Income	295,119		-	n/a	-	-	n/a
Sewer Rate Stabilization	-		-	n/a	-	-	n/a
Other Revenue/Current Charges	<u>113,900</u>		<u>7,833</u>	<u>7%</u>	<u>7,104</u>	<u>729</u>	<u>10%</u>
<b>640 SEWER OPERATION</b>	<b>5,798,669</b>		<b>468,911</b>	<b>8%</b>	<b>482,710</b>	<b>(13,799)</b>	<b>-3%</b>
<b>641 SEWER EXPANSION</b>							
Interest Income	176,887		13	0%	887	(874)	-99%
Connection Fees	1,125,000		42,238	4%	75,286	(33,048)	-44%
Other	<u>-</u>		<u>66</u>	<u>n/a</u>	<u>66</u>	<u>-</u>	<u>n/a</u>
<b>641 SEWER EXPANSION</b>	<b>1,301,887</b>		<b>42,317</b>	<b>3%</b>	<b>76,239</b>	<b>(33,922)</b>	<b>-44%</b>
<b>642 SEWER RATE STABILIZATION</b>	<b>123,378</b>		<b>-</b>	<b>n/a</b>	<b>-</b>	<b>-</b>	<b>n/a</b>
<b>643 SEWER-CAPITAL PROJECT</b>	<b>608,429</b>		<b>-</b>	<b>n/a</b>	<b>-</b>	<b>-</b>	<b>n/a</b>
<b>TOTAL SEWER FUNDS</b>	<b>7,832,363</b>		<b>511,228</b>	<b>7%</b>	<b>558,949</b>	<b>(47,721)</b>	<b>-9%</b>
<b>650 WATER OPERATION</b>							
Water Sales	5,855,915		645,520	11%	996,684	(351,164)	-35%
Meter Install & Service	48,000		310	1%	155	155	100%
Transfers-In, and Interest Income	384,673		-	n/a	14,629	(14,629)	-100%
Other Revenue/Current Charges	<u>171,770</u>		<u>30,356</u>	<u>18%</u>	<u>15,324</u>	<u>15,032</u>	<u>98%</u>
<b>650 WATER OPERATION</b>	<b>6,460,358</b>		<b>676,186</b>	<b>10%</b>	<b>1,026,792</b>	<b>(350,606)</b>	<b>-34%</b>
<b>651 WATER EXPANSION</b>							
Interest Income/Other Revenue	480,602		3,324	1%	-	3,324	n/a
Water Connection Fees	<u>387,000</u>		<u>6,719</u>	<u>2%</u>	<u>2,113</u>	<u>4,606</u>	<u>218%</u>
<b>651 WATER EXPANSION</b>	<b>867,602</b>		<b>10,043</b>	<b>1%</b>	<b>2,113</b>	<b>7,930</b>	<b>375%</b>
<b>652 Water Rate Stabilization</b>	<b>32,844</b>		<b>-</b>	<b>n/a</b>	<b>-</b>	<b>-</b>	<b>n/a</b>
<b>653 Water Capital Project</b>	<b>1,207,662</b>		<b>-</b>	<b>n/a</b>	<b>-</b>	<b>-</b>	<b>n/a</b>
<b>TOTAL WATER FUNDS</b>	<b>8,568,466</b>		<b>686,229</b>	<b>8%</b>	<b>1,028,905</b>	<b>(342,676)</b>	<b>-33%</b>
<b>TOTAL ENTERPRISE FUNDS</b>	<b>16,400,829</b>		<b>1,197,457</b>	<b>7%</b>	<b>1,587,854</b>	<b>(390,397)</b>	<b>-25%</b>
<b>INTERNAL SERVICE FUNDS</b>							
<b>730 INFORMATION SERVICES</b>	<b>381,190</b>		<b>31,766</b>	<b>8%</b>	<b>28,817</b>	<b>2,949</b>	<b>10%</b>
<b>740 BUILDING MAINTENANCE SERVICES</b>	<b>837,139</b>		<b>69,792</b>	<b>8%</b>	<b>58,121</b>	<b>11,671</b>	<b>20%</b>
<b>745 CIP ADMINISTRATION</b>	<b>1,308,226</b>		<b>64,418</b>	<b>5%</b>	<b>-</b>	<b>64,418</b>	<b>n/a</b>
<b>760 UNEMPLOYMENT INSURANCE</b>	<b>970</b>		<b>-</b>	<b>n/a</b>	<b>-</b>	<b>-</b>	<b>n/a</b>
<b>770 WORKERS COMPENSATION</b>	<b>399,907</b>		<b>35,303</b>	<b>9%</b>	<b>27,221</b>	<b>8,082</b>	<b>30%</b>
<b>790 EQUIPMENT REPLACEMENT</b>	<b>511,371</b>		<b>41,462</b>	<b>8%</b>	<b>34,085</b>	<b>7,377</b>	<b>22%</b>
<b>793 CORPORATION YARD COMMISSION</b>	<b>227,600</b>		<b>-</b>	<b>n/a</b>	<b>-</b>	<b>-</b>	<b>n/a</b>
<b>795 GENERAL LIABILITY INSURANCE</b>	<b>387,806</b>		<b>31,981</b>	<b>8%</b>	<b>31,413</b>	<b>568</b>	<b>2%</b>
<b>TOTAL INTERNAL SERVICE FUNDS</b>	<b>4,054,209</b>		<b>274,722</b>	<b>7%</b>	<b>179,657</b>	<b>95,065</b>	<b>53%</b>



City of Morgan Hill  
 Year to Date Revenues - Fiscal Year 2002/03  
 For the Month of July 2002  
 8% of Year Completed

FUND REVENUE SOURCE	ADOPTED BUDGET	AMENDED BUDGET	CURRENT YTD ACTUAL	% OF BUDGET	PRIOR YTD	INCR (DECR) FROM PRIOR YTD	% OF BUDGET
<b>AGENCY FUNDS</b>							
841 M.H. BUS.RANCH A.D. I	135,458		-	n/a	-	-	n/a
842 M.H. BUS.RANCH A.D. II	99,679		-	n/a	-	-	n/a
843 M.H. BUS.RANCH 1998	939,155		-	n/a	-	-	n/a
845 MADRONE BP-TAX EXEMPT	846,721		-	n/a	-	-	n/a
846 MADRONE BP-TAXABLE	184,234		-	n/a	-	-	n/a
848 TENNANT AVE.BUS.PK A.D.	332,553		-	n/a	-	-	n/a
881 POLICE DONATION TRUST FUND	1,371		-	n/a	-	-	n/a
						-	
<b>TOTAL AGENCY FUNDS</b>	<b>2,539,171</b>		<b>-</b>	<b>n/a</b>	<b>-</b>	<b>-</b>	<b>n/a</b>
						-	
<b>TOTAL FOR ALL FUNDS</b>	<b>65,266,061</b>		<b>2,750,166</b>	<b>4%</b>	<b>3,056,682</b>	<b>(363,890)</b>	<b>-12%</b>



City of Morgan Hill  
Year to Date Expenses - Fiscal Year 2002/03  
For the Month of July 2002  
8% of Year Completed

FUND NO.	FUND/ACTIVITY	THIS MONTH ACTUAL EXPENSES	ADOPTED BUDGET	AMENDED BUDGET	YTD EXPENSES	OUTSTANDING ENCUMBRANCE	TOTAL ALLOCATED	PERCENT OF TOTAL TO BUDGET
<b>010 GENERAL FUND</b>								
<b>I. GENERAL GOVERNMENT</b>								
	<b>COUNCIL AND MISCELLANEOUS GOVT.</b>							
	City Council	10,386	236,417		10,386	1,114	11,500	5%
	Community Promotions	<u>7,218</u>	<u>40,604</u>		<u>7,218</u>	<u>6,698</u>	<u>13,916</u>	<u>34%</u>
	<b>COUNCIL AND MISCELLANEOUS GO'</b>	<b>17,604</b>	<b>277,021</b>		<b>17,604</b>	<b>7,812</b>	<b>25,416</b>	<b>9%</b>
	<b>CITY ATTORNEY</b>	<b>23,983</b>	<b>668,556</b>		<b>23,983</b>	<b>1,283</b>	<b>25,266</b>	<b>4%</b>
	<b>CITY MANAGER</b>							
	City Manager	35,372	393,276		35,372	48,000	83,372	21%
	Cable Television	1,148	46,755		1,148	37,561	38,709	83%
	Communications & Marketing	<u>3,854</u>	<u>116,982</u>		<u>3,854</u>	<u>20,178</u>	<u>24,032</u>	<u>21%</u>
	<b>CITY MANAGER</b>	<b>40,374</b>	<b>557,013</b>		<b>40,374</b>	<b>105,739</b>	<b>146,113</b>	<b>26%</b>
	<b>RECREATION</b>							
	Recreation	23,548	479,220		23,548	23,300	46,848	10%
	Community & Cultural Center	11,918	684,196		11,918	-	11,918	2%
	Building Maintenance (CCC)	<u>7,297</u>	<u>205,115</u>		<u>7,297</u>	<u>-</u>	<u>7,297</u>	<u>4%</u>
	<b>RECREATION</b>	<b>42,763</b>	<b>1,368,531</b>		<b>42,763</b>	<b>23,300</b>	<b>66,063</b>	<b>5%</b>
	<b>HUMAN RESOURCES</b>							
	Human Resources	37,724	606,543		37,724	714	38,438	6%
	Volunteer Programs	<u>3,238</u>	<u>38,193</u>		<u>3,238</u>	<u>-</u>	<u>3,238</u>	<u>8%</u>
	<b>HUMAN RESOURCES</b>	<b>40,962</b>	<b>644,736</b>		<b>40,962</b>	<b>714</b>	<b>41,676</b>	<b>6%</b>
	<b>CITY CLERK</b>							
	City Clerk	17,891	373,823		17,891	861	18,752	5%
	Elections	<u>3,401</u>	<u>65,810</u>		<u>3,401</u>	<u>-</u>	<u>3,401</u>	<u>5%</u>
	<b>CITY CLERK</b>	<b>21,292</b>	<b>439,633</b>		<b>21,292</b>	<b>861</b>	<b>22,153</b>	<b>5%</b>
	<b>FINANCE</b>	<b>67,177</b>	<b>1,075,090</b>		<b>67,177</b>	<b>27,505</b>	<b>94,682</b>	<b>9%</b>
	<b>MEDICAL SERVICES</b>	<b>-</b>	<b>120,000</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>n/a</b>
	<b>TOTAL GENERAL GOVERNMENT</b>	<b>254,155</b>	<b>5,150,580</b>	<b>-</b>	<b>254,155</b>	<b>167,214</b>	<b>421,369</b>	<b>8%</b>
<b>II. PUBLIC SAFETY</b>								
	<b>POLICE</b>							
	PD Administration	51,262	596,573		51,262	-	51,262	9%
	Patrol	225,657	3,131,616		225,657	8,501	234,158	7%
	Support Services	65,440	867,088		65,440	12,558	77,998	9%
	Emergency Services/Haz Mat	3,573	89,549		3,573	-	3,573	4%
	Special Operations	56,111	792,805		56,111	-	56,111	7%
	Animal Control	3,561	71,918		3,561	-	3,561	5%
	Dispatch Services	<u>47,211</u>	<u>821,421</u>		<u>47,211</u>	<u>-</u>	<u>47,211</u>	<u>6%</u>
	<b>POLICE</b>	<b>452,815</b>	<b>6,370,970</b>	<b>-</b>	<b>452,815</b>	<b>21,059</b>	<b>473,874</b>	<b>7%</b>
	<b>FIRE</b>	<b>301,995</b>	<b>3,623,938</b>	<b>-</b>	<b>301,995</b>	<b>-</b>	<b>301,995</b>	<b>8%</b>
	<b>TOTAL PUBLIC SAFETY</b>	<b>754,810</b>	<b>9,994,908</b>	<b>-</b>	<b>754,810</b>	<b>21,059</b>	<b>775,869</b>	<b>8%</b>
<b>III. COMMUNITY IMPROVEMENT</b>								
	<b>PARK MAINTENANCE</b>	<b>41,827</b>	<b>826,483</b>		<b>41,827</b>	<b>21,430</b>	<b>63,257</b>	<b>8%</b>
	<b>TOTAL COMMUNITY IMPROVEMENT</b>	<b>41,827</b>	<b>826,483</b>	<b>-</b>	<b>41,827</b>	<b>21,430</b>	<b>63,257</b>	<b>8%</b>



City of Morgan Hill  
Year to Date Expenses - Fiscal Year 2002/03  
For the Month of July 2002  
8% of Year Completed

FUND NO.	FUND/ACTIVITY	THIS MONTH ACTUAL EXPENSES	ADOPTED BUDGET	AMENDED BUDGET	YTD EXPENSES	OUTSTANDING ENCUMBRANCE	TOTAL ALLOCATED	PERCENT OF TOTAL TO BUDGET
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#### IV. TRANSFERS

	Street Maintenance	5,000	377,000		5,000	-	5,000	1%
	Community Center	100,000	100,000		100,000	-	100,000	100%
	General Plan Update	-	60,000		-	-	-	n/a
<b>TOTAL TRANSFERS</b>		<b>105,000</b>	<b>537,000</b>	<b>-</b>	<b>105,000</b>	<b>-</b>	<b>105,000</b>	<b>20%</b>
<b>TOTAL GENERAL FUND</b>		<b>1,155,792</b>	<b>16,508,971</b>	<b>-</b>	<b>1,155,792</b>	<b>209,703</b>	<b>1,365,495</b>	<b>8%</b>

#### SPECIAL REVENUE FUNDS

##### 202 STREET MAINTENANCE

	Street Maintenance/Traffic	61,324	1,653,269	52,206	61,324	100,060	161,384	9%
	Congestion Management	3,387	79,819		3,387	-	3,387	4%
	Street CIP	<u>9,022</u>	<u>120,097</u>		<u>9,022</u>	<u>286,367</u>	<u>295,389</u>	<u>246%</u>
<b>202 STREET MAINTENANCE</b>		<b>73,733</b>	<b>1,853,185</b>	<b>52,206</b>	<b>73,733</b>	<b>386,427</b>	<b>460,160</b>	<b>24%</b>

<b>204/205</b>	<b>PUBLIC SAFETY/SUPP.LAW</b>	<b>45</b>	<b>315,538</b>		<b>45</b>	<b>13,493</b>	<b>13,538</b>	<b>4%</b>
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##### 206 COMMUNITY DEVELOPMENT FUND

	Planning	68,855	1,146,915		68,855	276,098	344,953	30%
	Building	65,512	1,040,589		65,512	97,466	162,978	16%
	PW-Engineering	<u>50,085</u>	<u>1,120,345</u>		<u>50,085</u>	<u>68,391</u>	<u>118,476</u>	<u>11%</u>
<b>206 COMMUNITY DEVELOPMENT FUND</b>		<b>184,452</b>	<b>3,307,849</b>	<b>-</b>	<b>184,452</b>	<b>441,955</b>	<b>626,407</b>	<b>19%</b>

<b>207</b>	<b>GENERAL PLAN UPDATE</b>	<b>807</b>	<b>162,995</b>		<b>807</b>	<b>-</b>	<b>807</b>	<b>0%</b>
<b>210</b>	<b>COMMUNITY CENTER</b>	<b>-</b>	<b>520,332</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>n/a</b>
<b>215/216</b>	<b>CDBG</b>	<b>-</b>	<b>231,306</b>		<b>-</b>	<b>7,900</b>	<b>7,900</b>	<b>3%</b>
<b>220</b>	<b>MUSEUM RENTAL</b>	<b>127</b>	<b>3,069</b>		<b>127</b>	<b>-</b>	<b>127</b>	<b>4%</b>
<b>225</b>	<b>ASSET SEIZURE</b>	<b>-</b>	<b>34,060</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>n/a</b>
<b>226</b>	<b>OES/FEMA</b>	<b>-</b>	<b>-</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>n/a</b>
<b>229</b>	<b>LIGHTING AND LANDSCAPE</b>	<b>3,295</b>	<b>138,671</b>		<b>3,295</b>	<b>210</b>	<b>3,505</b>	<b>3%</b>
<b>232</b>	<b>ENVIRONMENT PROGRAMS</b>	<b>10,726</b>	<b>318,169</b>		<b>10,726</b>	<b>89,502</b>	<b>100,228</b>	<b>32%</b>
<b>234</b>	<b>MOBILE HOME PARK</b>	<b>128</b>	<b>70,335</b>		<b>128</b>	<b>-</b>	<b>128</b>	<b>0%</b>
<b>236</b>	<b>HOUSING MITIGATION FUND</b>	<b>-</b>	<b>1,032,119</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>n/a</b>
<b>240</b>	<b>EMPLOYEE ASSISTANCE</b>	<b>-</b>	<b>40,000</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>n/a</b>

<b>TOTAL SPECIAL REVENUE FUNDS</b>		<b>273,313</b>	<b>8,027,628</b>	<b>52,206</b>	<b>273,313</b>	<b>939,487</b>	<b>1,212,800</b>	<b>15%</b>
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#### CAPITAL PROJECT FUNDS

<b>301</b>	<b>PARK DEVELOPMENT</b>	<b>11,725</b>	<b>2,856,587</b>		<b>11,725</b>	<b>50,868</b>	<b>62,593</b>	<b>2%</b>
<b>302</b>	<b>PARK MAINTENANCE</b>	<b>-</b>	<b>165,000</b>	<b>5,422</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>n/a</b>
<b>303</b>	<b>LOCAL DRAINAGE</b>	<b>132</b>	<b>1,866,589</b>		<b>132</b>	<b>-</b>	<b>132</b>	<b>0%</b>
<b>304</b>	<b>LOCAL DRAIN. NON-AB1600</b>	<b>144</b>	<b>161,727</b>		<b>144</b>	<b>-</b>	<b>144</b>	<b>0%</b>
<b>309</b>	<b>TRAFFIC MITIGATION</b>	<b>2,920</b>	<b>183,541</b>	<b>92,830</b>	<b>2,920</b>	<b>451,703</b>	<b>454,623</b>	<b>164%</b>
<b>311</b>	<b>POLICE MITIGATION</b>	<b>512</b>	<b>1,058,142</b>		<b>512</b>	<b>-</b>	<b>512</b>	<b>0%</b>
<b>313</b>	<b>FIRE MITIGATION</b>	<b>119</b>	<b>1,428</b>		<b>119</b>	<b>-</b>	<b>119</b>	<b>8%</b>
<b>317</b>	<b>RDA BUSINESS ASSISTANCE</b>	<b>2,659,942</b>	<b>19,353,410</b>	<b>60,000</b>	<b>2,659,942</b>	<b>8,262,980</b>	<b>10,922,922</b>	<b>56%</b>
<b>327/328</b>	<b>RDA HOUSING</b>	<b>98,096</b>	<b>6,313,976</b>		<b>98,096</b>	<b>97,184</b>	<b>195,280</b>	<b>3%</b>
<b>346</b>	<b>PUBLIC FAC.NON AB1600</b>	<b>-</b>	<b>-</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>n/a</b>
<b>347</b>	<b>PUBLIC FACILITIES</b>	<b>3,331</b>	<b>56,412</b>		<b>3,331</b>	<b>918,612</b>	<b>921,943</b>	<b>1634%</b>
<b>348</b>	<b>LIBRARY IMPACT</b>	<b>17</b>	<b>208</b>		<b>17</b>	<b>-</b>	<b>17</b>	<b>8%</b>
<b>350</b>	<b>UNDERGROUNDING</b>	<b>34</b>	<b>730,404</b>		<b>34</b>	<b>-</b>	<b>34</b>	<b>0%</b>

<b>TOTAL CAPITAL PROJECTS FUNDS</b>		<b>2,776,972</b>	<b>32,747,424</b>	<b>158,252</b>	<b>2,776,972</b>	<b>9,781,347</b>	<b>12,558,319</b>	<b>38%</b>
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City of Morgan Hill  
Year to Date Expenses - Fiscal Year 2002/03  
For the Month of July 2002  
8% of Year Completed

FUND NO.	FUND/ACTIVITY	THIS MONTH ACTUAL EXPENSES	ADOPTED BUDGET	AMENDED BUDGET	YTD EXPENSES	OUTSTANDING ENCUMBRANCE	TOTAL ALLOCATED	PERCENT OF TOTAL TO BUDGET
<b>DEBT SERVICE FUNDS</b>								
527	HIDDEN CREEK A.D.	-	-	-	-	-	-	n/a
536	ENCINO HILLS A.D.	-	-	-	-	-	-	n/a
539	MORGAN HILL BUS. PARK A.D.	-	-	-	-	-	-	n/a
542	SUTTER BUS. PARK A.D.	-	-	-	-	-	-	n/a
545	COCHRANE BUS. PARK A.D.	755	139,309	-	755	-	755	1%
551	JOLEEN WAY A.D.	728	42,569	-	728	-	728	2%
<b>TOTAL DEBT SERVICE FUNDS</b>		<b>1,483</b>	<b>181,878</b>	<b>-</b>	<b>1,483</b>	<b>-</b>	<b>1,483</b>	<b>1%</b>
<b>ENTERPRISE FUNDS</b>								
<b>SEWER</b>								
640	SEWER OPERATION	1,631,454	6,875,234	-	1,631,454	63,515	1,694,969	25%
641	CAPITAL EXPANSION	323	4,006,874	-	323	-	323	0%
642	SEWER RATE STABILIZATION	182	2,190	-	182	-	182	8%
643	SEWER-CAPITAL PROJECTS	<u>6,813</u>	<u>1,822,627</u>	-	<u>6,813</u>	<u>-</u>	<u>6,813</u>	<u>0%</u>
<b>TOTAL SEWER FUND(S)</b>		<b>1,638,772</b>	<b>12,706,925</b>	<b>-</b>	<b>1,638,772</b>	<b>63,515</b>	<b>1,702,287</b>	<b>13%</b>
<b>WATER</b>								
	Water Operations Division	143,056	6,948,658	30,000	143,056	276,724	419,780	6%
	Meter Reading/Repair	30,859	616,878	-	30,859	89,311	120,170	19%
	Utility Billing	19,231	347,753	-	19,231	19,506	38,737	11%
	Water Conservation	<u>92</u>	<u>11,320</u>	-	<u>92</u>	<u>-</u>	<u>92</u>	<u>1%</u>
650	WATER OPERATIONS	<u>193,238</u>	<u>7,924,609</u>	<u>30,000</u>	<u>193,238</u>	<u>385,541</u>	<u>578,779</u>	<u>7%</u>
651	CAPITAL EXPANSION	5,879	900,234	-	5,879	234,572	240,451	27%
652	WATER RATE STABILIZATION	42	509	-	42	-	42	8%
653	WATER-CAPITAL PROJECTS	<u>12,500</u>	<u>810,955</u>	-	<u>12,500</u>	<u>325,728</u>	<u>338,228</u>	<u>42%</u>
<b>TOTAL WATER FUND(S)</b>		<b>211,659</b>	<b>9,636,307</b>	<b>-</b>	<b>211,659</b>	<b>945,841</b>	<b>1,157,500</b>	<b>12%</b>
<b>TOTAL ENTERPRISE FUNDS</b>		<b>1,850,431</b>	<b>22,343,232</b>	<b>30,000</b>	<b>1,850,431</b>	<b>1,009,356</b>	<b>2,859,787</b>	<b>13%</b>
<b>INTERNAL SERVICE FUNDS</b>								
730	DATA PROCESSING	51,171	586,190	-	51,171	231,587	282,758	48%
740	BUILDING MAINTENANCE	18,868	588,127	-	18,868	56,475	75,343	13%
745	CIP ENGINEERING	64,418	1,308,226	-	64,418	70,778	135,196	10%
760	UNEMPLOYMENT	-	25,000	-	-	-	-	n/a
770	WORKERS COMPENSATION	35,931	482,200	-	35,931	56,825	92,756	19%
790	EQUIPMENT REPLACEMENT	136	186,472	-	136	-	136	0%
793	CORP YARD COMMISSION	-	227,600	-	-	110,370	110,370	48%
795	GEN. LIABILITY INSURANCE	-	330,600	-	-	-	-	n/a
<b>TOTAL INTERNAL SERVICE FUNDS</b>		<b>170,524</b>	<b>3,734,415</b>	<b>-</b>	<b>170,524</b>	<b>526,035</b>	<b>696,559</b>	<b>19%</b>
<b>AGENCY FUNDS</b>								
841	MORGAN HILL BUS RANCH I	885	730,155	-	885	-	885	0%
842	MORGAN HILL BUS RANCH II	1,095	89,995	-	1,095	-	1,095	1%
843	MORGAN HILL BUS RANCH 98	858	883,336	-	858	-	858	0%
845	MADRONE BP-TAX EXEMPT	1,122	1,084,479	-	1,122	-	1,122	0%
846	MADRONE BP-TAXABLE	669	183,851	-	669	-	669	0%
848	TENNANT AVE BUS PARK AD	253	-	-	253	-	253	n/a
881	POLICE DONATION TRUST	-	-	-	-	-	-	n/a
<b>TOTAL AGENCY FUNDS</b>		<b>4,882</b>	<b>2,971,816</b>	<b>-</b>	<b>4,882</b>	<b>-</b>	<b>4,882</b>	<b>0%</b>
<b>REPORT TOTAL</b>		<b>6,233,397</b>	<b>86,515,364</b>	<b>240,458</b>	<b>6,233,397</b>	<b>12,465,928</b>	<b>18,699,325</b>	<b>22%</b>



City of Morgan Hill  
Year to Date Revenues - Fiscal Year 2002/03  
For the Month of July 2002  
8% of Year Completed

YTD INCOME STATEMENT FOR CURRENT AND PRIOR YEAR

	Sewer Operations				Water Operations			
	Budget	YTD	% of Budget	Prior YTD	Budget	YTD	% of Budget	Prior YTD
<b>Operations</b>								
<b>Revenues</b>								
Service Charges	\$ 5,389,650	\$ 461,078	9%	\$ 475,606	\$ 5,855,915	\$ 645,520	11%	\$ 996,684
Meter Install & Service					48,000	310	1%	155
Other	113,900	7,833	7%	7,104	155,566	15,866	10%	15,324
<b>Total Operating Revenues</b>	<b>5,503,550</b>	<b>468,911</b>	<b>9%</b>	<b>482,710</b>	<b>6,059,481</b>	<b>661,696</b>	<b>11%</b>	<b>1,012,163</b>
<b>Expenses</b>								
Operations	3,924,903	271,040	7%	446,953	4,323,118	108,264	3%	90,001
Meter Reading/Repair					616,878	30,859	5%	21,006
Utility Billing/Water Conservation					359,073	19,323	5%	20,709
<b>Total Operating Expenses</b>	<b>3,924,903</b>	<b>271,040</b>	<b>7%</b>	<b>446,953</b>	<b>5,299,069</b>	<b>158,446</b>	<b>3%</b>	<b>131,716</b>
<b>Operating Income (Loss)</b>	<b>1,578,647</b>	<b>197,871</b>		<b>35,757</b>	<b>760,412</b>	<b>503,250</b>		<b>880,447</b>
<b>Nonoperating revenue (expense)</b>								
Interest Income	295,119	-		-	227,000	-		-
Interest Expense/Debt Services	(1,403,954)	(692,799)	49%	(709,299)	(337,720)	-		-
Principal Expense/Debt Services	(655,000)	(635,000)	97%	(600,000)	(210,320)	-		-
<b>Total Nonoperating revenue (expense)</b>	<b>(1,763,835)</b>	<b>(1,327,799)</b>		<b>(1,309,299)</b>	<b>(321,040)</b>	<b>-</b>		<b>-</b>
Income before operating xfers	(185,188)	(1,129,928)		(1,273,542)	439,372	503,250		880,447
Operating transfers in	-	-		-	173,877	14,490	8%	14,629
Operating transfers (out)	(891,377)	(32,615)	4%	(29,213)	(2,077,500)	(34,792)	2%	(30,417)
<b>Net Income (Loss)</b>	<b>\$ (1,076,565)</b>	<b>\$ (1,162,543)</b>		<b>\$ (1,302,755)</b>	<b>\$ (1,464,251)</b>	<b>\$ 482,948</b>		<b>\$ 864,659</b>





**City of Morgan Hill**  
**Balance Sheets - Water and Sewer Funds**  
**July 31, 2002**  
**8% of Year Complete**

	<b>Sewer Operations (640)</b>	<b>Sewer Expansion Stabilization Capital Projects (641-643)</b>	<b>Water Operations (650)</b>	<b>Water Expansion Stabilization Capital Projects (651-653)</b>
<b>ASSETS</b>				
<b>Cash and investments:</b>				
Unrestricted	3,998,555	12,828,845	4,820,686	4,330,213
Restricted *	2,079,606		390,888	
Accounts Receivable		5,422		
Utility Receivables	645,270		1,162,115	
Less Allowance for Doubtful Accounts	-18,047		-21,252	
Notes Receivable **		108,040		
Fixed Assets ***	34,942,913	6,483,996	25,013,777	4,412,465
Other Assets	0			
<b>Total Assets</b>	<b>41,648,297</b>	<b>19,426,303</b>	<b>31,366,214</b>	<b>8,742,678</b>
<b>LIABILITIES</b>				
Accounts Payable and Accrued Liabilities	403,813	209,835	63,434	24,762
Deposits for Water Services			45,370	
Deferred Revenue				
Bonds Payable	25,540,000		6,415,514	
Discount on Bonds and Other Liabilities	-1,668,302		-1,075,413	
Accrued Vacation and Comp Time	40,560		64,885	
<b>Total liabilities</b>	<b>24,316,071</b>	<b>209,835</b>	<b>5,513,790</b>	<b>24,762</b>
<b>FUND EQUITY</b>				
Contributed Capital	7,624,084		14,438,595	
Retained Earnings				
Reserved for:				
Noncurrent water/sewer assets & debt	11,689,112	6,484,087	19,835,908	4,412,465
Encumbrances	63,515		385,541	560,300
Notes Receivable		108,040		
Restricted Cash	2,079,606		390,888	
<b>Total Reserved Retained Earnings</b>	<b>13,832,233</b>	<b>6,592,127</b>	<b>20,612,337</b>	<b>4,972,765</b>
<b>Unreserved Retained Earnings ~</b>	<b>3,499,993</b>	<b>12,624,341</b>	<b>5,240,087</b>	<b>3,745,151</b>
<b>Total Fund Equity</b>	<b>17,332,226</b>	<b>19,216,468</b>	<b>25,852,424</b>	<b>8,717,916</b>
<b>Total Liabilities and Fund Equity</b>	<b>41,648,297</b>	<b>19,426,303</b>	<b>31,366,214</b>	<b>8,742,678</b>

\* Restricted for Bond Reserve requirements and capital expansion.

\*\* Includes Note for Sewer Financing Agreements.

\*\*\* Includes Water and Sewer infrastructure and the City's share of the Wastewater treatment plant.



**City of Morgan Hill**  
**Balance Sheets for Major Funds - Fiscal Year 2002-2003**  
**July 31, 2002**  
**8% of Year Complete**

	General Fund (Fund 010)	RDA (Fund 317)	L/M Housing (Fund 327/328)	Sewer (Fund 640)	Water (Fund 650)
<b>ASSETS</b>					
Cash and investments:					
Unrestricted	11,069,840	17,524,390	3,432,144	3,998,555	4,820,686
Restricted *	4,050			2,079,606	390,888
Accounts Receivable	991,612	14,707	3,192		
Utility Receivables (Sewer and Water)				645,270	1,162,115
Less Allowance for Doubtful Accounts				(18,047)	(21,252)
Loans and Notes Receivable **	463,311	2,439,796	16,624,810		
Due from other Funds		128,593			
Fixed Assets ***		71,049		34,942,913	25,013,777
Other Assets					
<b>Total Assets</b>	<b>12,528,813</b>	<b>20,178,535</b>	<b>20,060,146</b>	<b>41,648,297</b>	<b>31,366,214</b>
<b>LIABILITIES</b>					
Accounts Payable and Accrued Liabilities	494,150	24,672	258,763	403,813	63,434
Deposits for Water Services					45,370
Deferred Revenue #	483,461	867,948	4,426,115		
Bonds Payable				25,540,000	6,415,514
Discount on Bonds and Other Liabilities	1,150,904			(1,668,302)	(1,075,413)
Accrued Vacation and Comp Time	123,769	5,249	2,162	40,560	64,885
<b>Total liabilities</b>	<b>2,252,284</b>	<b>897,869</b>	<b>4,687,040</b>	<b>24,316,071</b>	<b>5,513,790</b>
<b>FUND EQUITY</b>					
Contributed Capital				7,624,084	14,438,595
Fund Balance / Retained Earnings					
Reserved for:					
Noncurrent water/sewer assets & debt				11,689,112	19,835,908
Encumbrances	209,703	8,262,980	97,184	63,515	385,541
Restricted Cash				2,079,606	390,888
Impact Fee Capital Improvements					
Advance to Other Funds		128,593			
RDA properties held for resale		71,049			
Loans and Notes Receivable		1,571,849	12,198,695		
Ecumenical Housing/Via Ciolino					
<b>Total Reserved Fund Equity</b>	<b>209,703</b>	<b>10,034,471</b>	<b>12,295,879</b>	<b>13,832,233</b>	<b>20,612,337</b>
Designated Fund Equity ~	3,382,000				
Unreserved Fund Equity	6,684,826	9,246,195	3,077,227	3,499,993	5,240,087
<b>Total Fund Equity</b>	<b>10,276,529</b>	<b>19,280,666</b>	<b>15,373,106</b>	<b>17,332,226</b>	<b>25,852,424</b>
<b>Total Liabilities and Fund Equity</b>	<b>12,528,813</b>	<b>20,178,535</b>	<b>20,060,146</b>	<b>41,648,297</b>	<b>31,366,214</b>

\* Restricted for Petty Cash use, Bond Reserve requirements and sewer and water capital expansion.

\*\* Includes Housing Rehab loans, Financing Agreements for Public Works Fees and loans for several housing and Agency projects.

\*\*\* Includes Water and Sewer infrastructure, the City's share of the Wastewater treatment plant and RDA properties held for resale.

# Includes the deferred payment portion of the loans noted above.

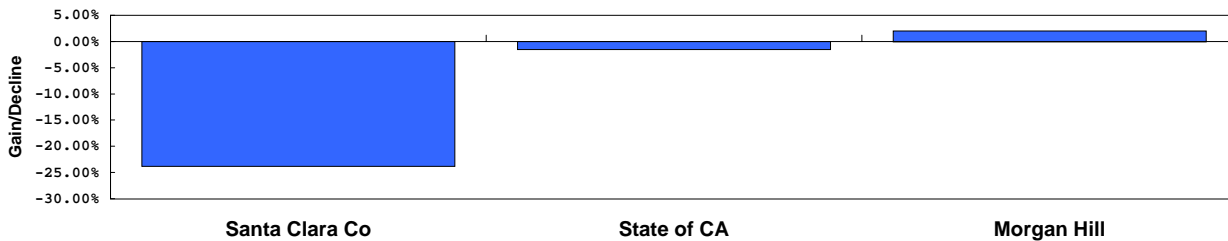
~ Designated for economic uncertainty, emergencies, and Fire Master Plan implementation



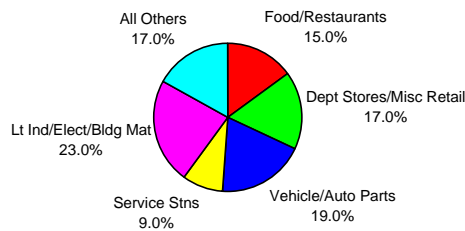
**City of Morgan Hill**  
**Sales Tax Comparison - Fiscal Year 2002/03**  
**For the Month of July 2002**  
**8% of Year Complete**

Month	Amount Collected for Month for Fiscal Year			Amount Collected YTD for Fiscal Year			Comparison of YTD for fiscal years	
	02/03	01/02	00/01	02/03	01/02	00/01	02/03 to 01/02	02/03 to 00/01
July	\$367,600	\$377,700	\$306,000	\$367,600	\$377,700	\$306,000	(\$10,100)	\$61,600
August		\$503,600	\$408,000		\$881,300	\$714,000		
September		\$437,056	\$584,766		\$1,318,356	\$1,298,766		
October		\$339,000	\$319,200		\$1,657,356	\$1,617,966		
November		\$452,000	\$425,600		\$2,109,356	\$2,043,566		
December		\$538,465	\$524,333		\$2,647,821	\$2,567,899		
January		\$393,900	\$337,700		\$3,041,721	\$2,905,599		
February		\$466,068	\$450,200		\$3,507,789	\$3,355,799		
March		\$351,548	\$607,260		\$3,859,337	\$3,963,059		
April		\$341,042	\$324,700		\$4,200,379	\$4,287,759		
May		\$461,500	\$432,900		\$4,661,879	\$4,720,659		
June		\$279,927	\$811,473		\$4,941,806	\$5,532,132		
<b>Year To Date Totals</b>				<b>\$367,600</b>	<b>\$4,941,806</b>	<b>\$5,532,132</b>		
Sales Tax Budget for Year				\$5,330,000	\$5,300,000	\$4,462,817		
<b>Percent of Budget</b>				<b>7%</b>	<b>93%</b>	<b>124%</b>		
<b>Percent of increase(decrease)</b>							<b>-3%</b>	<b>20%</b>

**Sales Tax Percent Gain/Dcline  
Preliminary Fourth Quarter 2001**



**Sales Tax Distribution by Business Segment  
Fourth Quarter 2001**



**Sales Distribution by Area  
Fourth Quarter 2001**

